

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1351 be amended to read as follows:

- 1 Page 9, line 10, after "commissioners" insert "**or county property**
- 2 **tax assessment board of appeal**".
- 3 Page 9, line 15, delete "Before November 1 of".
- 4 Page 9, delete lines 16 through 22.
- 5 Page 9, line 23, delete "(c)".
- 6 Page 9, run in lines 15 through 23.
- 7 Page 9, line 24, delete "property granted an exemption no longer
- 8 meets" and insert "**a not-for-profit entity is no longer eligible for an**
- 9 **exemption**".
- 10 Page 9, line 25, delete "the criteria for the exemption,".
- 11 Page 9, line 25, delete ":" and insert "**inform the county auditor**".
- 12 Page 9, delete lines 26 through 27.
- 13 Page 9, line 33, delete "revocation decision" and insert
- 14 "**determination**".
- 15 Page 10, between lines 1 and 2, begin a new paragraph and insert:
- 16 "SECTION 8. IC 6-1.1-12-18 IS AMENDED TO READ AS
- 17 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 18. (a) If the
- 18 assessed value of residential real property described in subsection (d)
- 19 of this section is increased because it has been rehabilitated, the owner
- 20 may have deducted from the assessed value of the property an amount
- 21 not to exceed the lesser of:
- 22 (1) the total increase in assessed value resulting from the
- 23 rehabilitation; or
- 24 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

1 The owner is entitled to this deduction annually for a five (5) year
2 period.

3 (b) For purposes of this section, the term "rehabilitation" means
4 **significant** repairs, replacements, or improvements **to an existing**
5 **structure** which are intended to increase the livability, utility, safety,
6 or value of the property ~~and which do not increase the total amount of~~
7 ~~floor space devoted to residential purposes unless the increase in floor~~
8 ~~space is required in order to make the building comply with a local~~
9 ~~housing code or zoning ordinance: under rules adopted by the state~~
10 **board of tax commissioners.**

11 (c) For the purposes of this section, the term "owner" or "property
12 owner" includes any person who has the legal obligation, or has
13 otherwise assumed the obligation, to pay the real property taxes on the
14 rehabilitated property.

15 (d) The deduction provided by this section applies only for the
16 rehabilitation of residential real property which is located within this
17 state and which is described in one (1) of the following classifications:

18 (1) a single family dwelling if before rehabilitation the assessed
19 value (excluding any exemptions or deductions) of the
20 improvements does not exceed eighteen thousand dollars
21 (\$18,000);

22 (2) a two (2) family dwelling if before rehabilitation the assessed
23 value (excluding exemptions or deductions) of the improvements
24 does not exceed twenty-four thousand dollars (\$24,000); and

25 (3) a dwelling with more than two (2) family units if before
26 rehabilitation the assessed value (excluding any exemptions or
27 deductions) of the improvements does not exceed nine thousand
28 dollars (\$9,000) per dwelling unit.

29 SECTION 9. IC 6-1.1-12-22 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the
31 assessed value of property is increased because it has been rehabilitated
32 and the owner has paid at least ten thousand dollars (\$10,000) for the
33 rehabilitation, the owner is entitled to have deducted from the assessed
34 value of the property an amount equal to fifty percent (50%) of the
35 increase in assessed value resulting from the rehabilitation. The owner
36 is entitled to this deduction annually for a five (5) year period.
37 However, the maximum deduction which a property owner may receive
38 under this section for a particular year is:

39 (1) sixty thousand dollars (\$60,000) for a single family dwelling
40 unit; or

41 (2) three hundred thousand dollars (\$300,000) for any other type
42 of property.

43 (b) For purposes of this section, the term "property" means a
44 building or structure which was erected at least ~~ten (10)~~ **fifty (50)** years
45 before the date of application for the deduction provided by this
46 section. The term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means ~~the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property. However, the enlargement or extension of the enclosed floor area of property shall, for computation of the deduction, be limited within a five (5) year period to a total additional enclosed floor area equal to the size of the enclosed floor area of the property on the date of completion of the first extension or enlargement completed after March 1, 1973.~~ **significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the state board of tax commissioners.**

SECTION 10. IC 6-1.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: Sec. 1. Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **Except for the county assessor, an individual who is an officer or employee of a county or township may not serve on the board of appeals in the county in which the individual is an officer or employee.** The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** A person appointed to a property tax assessment board of appeals may ~~not~~ serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. ~~and~~ **The county assessor** shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

SECTION 11. IC 6-1.1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The rules promulgated by the state board of tax commissioners are the basis for determining the true tax value of tangible property.

(b) Local assessing officials, members of the county property tax assessment board of appeals, and county assessors shall:

- (1) comply with the rules, appraisal manuals, bulletins, and directives adopted by the state board of tax commissioners;
- (2) use the property tax forms, property tax returns, and notice forms prescribed by the board; and
- (3) collect and record the data required by the board.

(c) In assessing tangible property, the township assessors, members of the county property tax assessment board of appeals, and county assessors may consider factors in addition to those prescribed by the state board of tax commissioners if the use of the additional factors is first approved by the board. Each township assessor, **each member** of the county property tax assessment board of appeals, and the county assessor shall indicate on ~~his~~ **the** records for each individual assessment whether:

- (1) only the factors contained in the board's rules, forms, and returns have been considered; or
- (2) factors in addition to those contained in the board's rules, forms, and returns have been considered.

SECTION 12. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the board determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property; and
- (5) the true tax value of personal property based on the factors listed in this subsection and any other factor that the board determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the state board of tax commissioners shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) **The rules of the state board of tax commissioners must**

1 include instructions for determining the starting point for the
2 valuation of used depreciable personal property after a sale or
3 transfer of the property.

4 (e) With respect to the assessment of personal property, true tax
5 value does not mean fair market value. True tax value is the value
6 determined under rules of the state board of tax commissioners.

7 SECTION 13. IC 36-2-15-7 IS ADDED TO THE INDIANA CODE
8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2001]: **Sec. 7. In each county, the county assessor or**
10 **an employee of the county assessor must be a certified level 2**
11 **Indiana assessor-appraiser.**

12 SECTION 14. IC 36-2-15-8 IS ADDED TO THE INDIANA CODE
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2000]: **Sec. 8. (a) A county assessor who becomes a certified level**
15 **2 Indiana assessor-appraiser is entitled to a salary increase of one**
16 **thousand dollars (\$1,000) after the assessor's certification under**
17 **IC 6-1.1-35.5.**

18 (b) A person who is a certified level 2 Indiana
19 assessor-appraiser who replaces a county assessor who is not so
20 certified is entitled to a salary of one thousand dollars (\$1,000)
21 more than the salary of the person's predecessor.

22 (c) An employee of a county assessor who becomes a certified
23 level 2 Indiana assessor-appraiser is entitled to a salary increase of
24 five hundred dollars (\$500) after the employee's certification under
25 IC 6-1.1-35.5.

26 (d) A salary increase under this section comprises a part of the
27 county assessor's or employee's base salary for as long as the
28 person serves in that position and maintains the level 2
29 certification.

30 SECTION 15. IC 36-6-8-6 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 6. (a) A township**
32 **assessor who becomes a certified level 2 Indiana assessor-appraiser is**
33 **entitled to a salary increase of one thousand dollars (\$1,000) after his**
34 **the assessor's certification under IC 6-1.1-35.5.**

35 (b) A certified level 2 Indiana assessor-appraiser who replaces a
36 township assessor who is not so certified is entitled to a salary of one
37 thousand dollars (\$1,000) more than ~~his predecessor's~~ **the salary of the**
38 **person's predecessor.**

39 (c) An employee of a township assessor who becomes a certified
40 level 2 Indiana assessor-appraiser is entitled to a salary increase of
41 five hundred dollars (\$500) after the employee's certification under
42 IC 6-1.1-35.5.

43 (d) A salary increase under this section comprises a part of the
44 township assessor's **or employee's** base salary for as long as ~~he~~ **the**
45 **person** serves in that position **and maintains the level 2 certification.**

46 SECTION 16. P.L.6-1997, SECTION 241, IS AMENDED TO

1 READ AS FOLLOWS [EFFECTIVE DECEMBER 30, 1999
 2 (RETROACTIVE)]: SECTION 241. (a) Notwithstanding IC 5-14-3, a
 3 sales disclosure form under IC 6-1.1-5.5, as added by this act, is not a
 4 public record and may only be used by ~~the county land valuation~~
 5 ~~commission a township assessor~~ or persons acting on behalf of ~~the~~
 6 ~~county land valuation commission a township assessor~~ for the purpose
 7 of determining land values under IC 6-1.1-4-13.6 and by the state board
 8 of tax commissioners or persons acting on behalf of the state board of
 9 tax commissioners. Information contained on a sales disclosure form
 10 may not be used in a:

- 11 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 12 IC 6-1.1-14, or IC 6-1.1-15;
- 13 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 14 (3) petition for a refund under IC 6-1.1-26.

15 (b) This SECTION expires December 31, ~~1999~~ **2002**.

16 SECTION 17. P.L.63-1993, SECTION 3, IS AMENDED TO READ
 17 AS FOLLOWS [EFFECTIVE JULY 1, 1999 (RETROACTIVE)]:
 18 SECTION 3. (a) The state board of tax commissioners shall conduct a
 19 study to determine the impact of converting the current property tax
 20 assessment system to a system based on fair market value. The board
 21 shall determine the fiscal, legal, and administrative impact on state and
 22 local government, and the fiscal impact on the owners of the various
 23 classifications of property in Indiana. A fair market value system is a
 24 system that analyzes sales of comparable properties, income
 25 information, and reproduction cost to arrive at the proper valuation of
 26 property for property tax assessment purposes.

27 (b) The board shall report the design of the study to the general
 28 assembly on or before December 1, 1993.

29 (c) The board shall collect data from a sufficient sampling of
 30 various classifications of property throughout Indiana. County officials
 31 shall cooperate in the study by furnishing data as required by the board.

32 (d) The board shall study the assessing systems, including
 33 methodology, structure, and procedure, in other states that use a
 34 property tax assessment system based on fair market value.

35 (e) The board shall perform the study and report the results and the
 36 board's recommendations for implementation of a property tax system
 37 based on fair market value to the general assembly on or before
 38 December 1, 1996.

- 39 (f) The report and data collected in the study may not be used in a:
- 40 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 41 IC 6-1.1-14, or IC 6-1.1-15;
- 42 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 43 (3) petition for refund under IC 6-1.1-26.

44 (g) This SECTION expires December 31, ~~1999~~ **2002**.

45 SECTION 18. **An emergency is declared for this act.**

46 Renumber all SECTIONS consecutively.

(Reference is to HB 1351 as printed January 21, 2000.)

Representative Klinker